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105.1 Purpose

This section describes the treatment of income received by households with boarders as defined in Section 100.4 (Boarders) of this Food Supplement Program (FSP) manual.

105.2 General Information

- A. Income received by households with boarders in both commercial and non-commercial board situations is considered self-employment income.
- B. Persons residing in a commercial boarding house (establishments licensed as an enterprise that offers meals and lodging for compensation) are considered boarders regardless of the compensation they pay.
- C. Persons residing in a non-commercial boarding house are considered boarders if they pay reasonable monthly compensation for their meals and lodging as described in Section 100.4 of this manual.

105.3 Income from Boarders

- A. Exclude persons who are boarders as defined in Section 100.4 of this manual when determining the household's eligibility and benefit level.
- B. Include as income all direct payments to the household for room and meals, including contributions to the household's shelter expenses.
- C. Do not count shelter expenses paid directly by boarders to someone outside the household as income to the household.

Example 1: A boarder pays \$20.00 a month to the household for the heating bill. This amount is counted as income to the household.

Example 2: A boarder pays the telephone bill for the household directly to the phone company. The amount of the payment is not counted as income to the household.

105.4 Allowable Costs of Doing Business

- A. Exclude the portion of the boarder payment that is a cost-to-do business when determining the income received from boarders.
- B. The amount allowed as the cost-to-do business is 50% of the proprietor's gross monthly receipts received from boarders.

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105.5 Computing Income

- A. Net monthly self-employment income from boarders is determined by:
 1. Adding together all direct payments to the household by the boarders and then,
 2. Applying the 50 percent (cost-to-produce) deduction.
- B. Add the result of this computation (net income from self-employment) to other earned income, if any, and apply a 20 percent earned income deduction to the total.
- C. Compute the shelter costs the household actually incurs (even if the boarder contributes directly to the household for shelter expenses) to determine if the household will receive a shelter deduction.